



## 2236 RFP No. 2020-01 Mandel Recreation Center Fitness Center and Wellness Program Contractor

BAFO-evaluation phase Ends on **Nov 22 2019 4:00 PM**

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### Message

From [Health Fitness Corporation](#)  
Subject HealthFitness BAFO  
Related to (Solicitation) 2236 RFP No. 2020-01 Mandel Recreation Center Fitness Center and Wellness Program Contractor  
Sent on Nov 20 2019 3:34 PM  
Sent to [Town of Palm Beach](#)

Appendices attached to this message (max. 10 MB):

HealthFitness BAFO for the Town of Palm Beach.pdf 283 Kb [Download](#) | [Preview](#)

Good Afternoon, Dean,

Please reference the attached document, which represents our response to the Town's request for a Best and Final Offer (BAFO). Specifically, we have reduced our Management Fee and corresponding Liability Insurance Fee as outlined within the document. Our reduction in Management Fee is fairly substantial and solidifies our sincere interest in wanting to partner with the Town of Palm Beach on this important recreation and health initiative. The Town has clearly communicated its interest in providing the "best" programs and services and that nothing other than the highest level of professionalism be extended to members. We fully agree with these program objectives and service level expectations. This is precisely why the Town fits our model as an ideal partner.

We are looking into contracting for December and will get back to you soon on the logistics.

Thank you again for the opportunity. We look forward to creating a positive, long-term relationship with the Town of Palm Beach.

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**Town of Palm Beach Program Operations - Proforma**

| Staff Compensation and Benefits              | Year 1              | BAFO 11/20/2019     | Comments  |
|--|---------------------|---------------------|---|
| Program Manager (1 FTE)                      | \$45,000.00         | \$45,000.00         | Assumes annual salary alone; 3% merit increase factored in Year 2 and Year 3  |
| Health Fitness Professional (1 FTE)          | \$34,000.00         | \$34,000.00         | Assumes annual salary alone; 3% merit increase factored in Year 2 and Year 3  |
| Full-Time Staff Benefits                     | \$23,700.00         | \$23,700.00         | Assumes benefit package calculated at 30% of salaries   |
| Health Fitness Specialist (.67 FTE)          | \$20,100.00         | \$20,100.00         | Assumes annual wages alone for part-time staff; 3% merit increase factored in Year 2 and Year 3   |
| Part-Time Benefits                           | \$4,020.00          | \$4,020.00          | Assumes payroll and administration costs calculated at 20% of wages   |
| <b>Staff Compensation and Benefits Total</b> | <b>\$126,820.00</b> | <b>\$126,820.00</b> |   |
| Account Management                           | Year 1              |                     | Comments  |
| Overhead G&A                                 | \$20,700.00         | \$20,700.00         | Overhead cost includes account management, access to HealthFitness programming resources (e.g., Health Management Plan, operational procedures manuals, program resource library, marketing resources, normative database, Quality Assurance Program). G&A costs include accounting, finance, and payroll processing.                               |
| Management Fee                               | \$31,100.00         | \$24,900.00         | Assumes cost for annual HealthFitness fixed management Fee (Profit).  |
| Liability Insurance                          | \$5,359.00          | \$5,173.00          | Assumes annual cost for insurance including liability and property/casualty insurance coverage at 3% of all staff compensation and benefits, overhead/G&A, and HealthFitness management fee.  |
| Member Management System (Technology)        | \$0.00              | \$0.00              | Assumes the Town will be providing member management systems to operate and administrate fitness center usage, tracking and reporting   |
| Projected Equipment Replace or Upgrade       | \$4,000.00          | \$4,000.00          | Fitness/Group Exercise Supplies cost assumes expense for minor replacement supplies (e.g., mats). Will only pass through actual expense. If \$100 is spent annually from this line item, that is all that will be passed through  |
| <b>Account Management Total</b>              | <b>\$61,159.00</b>  | <b>\$54,773.00</b>  |   |
| <b>Total Annual HealthFitness Fee</b>        | <b>\$187,979.00</b> | <b>\$181,593.00</b> | Includes Staff compensation, wages and benefits as well as Account Management Fees. Assumes Equipment Replacement at \$4,000, but this is a variable cost; i.e., do not exceed projected expense. If actual annual replace or upgrade cost amounts to \$1,500, then \$1,500 will be the cost passed through to the Town. Actual Only Not Projected. |
| <b>Monthly Fixed Fee</b>                     | <b>\$15,664.92</b>  | <b>\$15,132.75</b>  |   |

**Footnotes:**

Projected revenue coming back to the town could include revenue generated from personal training, health education seminars, challenges, etc. HealthFitness will work with the Town during implementation to develop comprehensive business plan and program schedule that will outline projected revenue generated from agreed upon programming.

**BAFO Footnotes:**

Management Fee reduction of \$6,200.00 annually or approximately 20% reduction

Liability Ins. decreased slightly due to Management Fee reduction (Liability Ins calculated as a percentage of HealthFitness Fees as noted in Liability Ins. Comments section)

Outlines fees reduced as part of BAFO